

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2001-330

September 12, 2001

COBBOSSEECONTEE TELEPHONE COMPANY
Request for Approval of Reorganization (Joint
Petition for Reorganizations)

ORDER APPROVING
STIPULATION

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order we approve a Stipulation that grants required approvals for the transfer of control of Cobbosseecontee Telephone and Telegraph Company to TDS Telecommunications Corporation ("TDS Telecom"). After the sale, the Company will be known as Cobbosseecontee Telephone Company.

II. DISCUSSION

On May 9, 2001, the petitioners listed above filed for various regulatory approvals that were required for the transfer of control of Cobbosseecontee Telephone Company to TDS Telecom. Several approvals for reorganizations are required by 35-A M.R.S.A. § 708(2). These reorganizations are listed in Part III, § 9 of the Stipulation. Cobbosseecontee also needs approval under 35-A M.R.S.A. § 707 for a contractual arrangement whereby it will receive services from TDS affiliated interests.¹ Finally, Cobbosseecontee requires approval under 35-A M.R.S.A. §§ 901-902 for the issuance of stock to TDS Telecom that will occur following a merger between Cobbosseecontee and "CTC Acquisition Corporation," a new entity created by Telephone and Data Systems, Inc. ("TDS," the parent of TDS Telecom) for the purpose of this transaction.

TDS Telecom presently owns six incumbent local exchange carriers (ILECs) in Maine. Those companies are listed in the caption above. Cobbosseecontee will become the seventh ILEC in the state owned by TDS Telecom. TDS, TDS Telecom and all other TDS affiliates, including the existing TDS Maine ILECs in Maine, will become affiliated interests of Cobbosseecontee.

The parties have agreed, and we find, that the reorganizations are consistent with the interests of the ratepayers and shareholders of both Cobbosseecontee and the existing TDS ILECs in Maine. In addition to the statements and commitments contained in the Stipulation, the Company filed a letter on September 4, 2001 providing further service commitments. We consider this letter to be part of the Stipulation.

¹The parties anticipate that arrangement approved in this Order is temporary and will be replaced by a "Master Service Agreement" that will apply to all TDS ILECs.

Accordingly, we

1. APPROVE the Stipulation filed in this case (including the letter filed by TDS Telecom on September 4, 2001) and incorporate its provisions in this Order;
2. FIND, as required by 35-A M.R.S.A. § 708(2) that the reorganizations described in the Stipulation are consistent with the interests of the ratepayers and shareholders of both Cobbosseecontee and the existing TDS ILECs in Maine; and
3. GRANT the regulatory approvals required under 35-A M.R.S.A. §§ 707, 708(2) and 901-902 that are described in the Stipulation.

Dated at Augusta, Maine, this 12th day of September, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.